



July 14, 2004

TO: Local Agency Formation Commission

FROM: Acting Executive Officer
Policy Analyst

SUBJECT: Proposed "North-Central Islands Annexation to the City of Anaheim" (IA 04-08)

APPLICANT

The City of Anaheim by Resolution of Application.

PROPOSAL

The City of Anaheim has submitted an application to LAFCO requesting annexation of four unincorporated small island areas within the City's sphere of influence. The four non-contiguous territories referenced as Islands # 1, 2, 3 and 5 include approximately 70 acres collectively. Two of the four islands are inhabited and consist of 161 dwelling units. The remaining two islands consist of an open space and mineral extraction area and a local business site.

The application was submitted as part of the Unincorporated Islands Program. Under the provisions of the islands program law and policy, the process for annexing islands under 75 acres is streamlined to facilitate the transition of these areas to city jurisdiction. Government Code Section 56375 specifies that if annexation is initiated by a city, the Commission must approve the annexation and waive protest proceedings. Additionally Orange LAFCO agreed to waive application fees and map and legal description requirements for cities initiating annexation of a small island.

In the three years since the program began in July 2001, LAFCO staff, the County, and the Cities of Brea, Laguna Niguel, Orange, Costa Mesa and Tustin have worked collaboratively to facilitate annexation of 22 of the 50 small islands initially identified under the islands program. Approval of Anaheim's request to annex the subject islands will increase the total to 26 completed island annexations, just over half of the 50 original islands. Staff anticipates presenting up to three additional islands annexation proposals to the Commission before the end of 2004.

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The purpose of the annexation is to enhance the level and provision of public services to the residents and land uses in the areas. A concurrent detachment from Municipal Water District of Orange County (MWDOC) accompanies this proposal. The City of Anaheim and MWDOC are both member agencies of the Metropolitan Water District of Southern California (MWD) and any annexation of territory to one member agency must be accompanied by a concurrent detachment from the other.

LOCATION

The four non-contiguous annexation areas are generally located in the northeastern and central sections of the City of Anaheim. (Please refer to Attachment A for a vicinity map.) The territory is generally bound:

Island #1 – West by Magnolia Avenue, east by Gilbert Street and north by the 91 freeway, and south by the 5 freeway.

Island #2 – West by Jefferson Street, east by Anaheim Lake, north by Orangethorpe Avenue, and south by Mira Loma Avenue.

Island #3 – North and west by Holbrook Street, to the east by Tympani Circle and south by East Hunter Avenue.

Island #5 – A single parcel located southwest of the intersection of Monterey Street and Lincoln Avenue.

LAND USE

Current land use varies between the subject island areas. Two of the four islands are fully built-out as residential development. The other two islands are designated for commercial/industrial uses under the County General Plan. In March 2004, the city adopted pre-zoning for the annexation territories. The proposed city zoning is generally consistent with existing County zoning designations. The city “grandfathered in” all current, non-conforming uses. When a property changes ownership, the city zoning requirements in effect at that time will apply. The table below details the current County General Plan designations, the city’s prezoning classifications, and the existing surrounding land uses for the subject islands.

Island	County General Plan	City’s Pre-zoning	Existing Surrounding Uses
1	Suburban Residential	Single and Multi-Family Residential	Residential, freeway
2	Open Space & Commercial/Industrial	General Industrial	Commercial, industrial, residential and arterial highways
3	Suburban Residential	Low-Medium Density Residential	Residential, industrial and local business
5	Commercial	Multi-Family Residential-Brookhurst Commercial Corridor Overlay	Local business

MUNICIPAL SERVICES

Currently the County provides police, public works (i.e., street maintenance, repair, lighting, landscaping, street sweeping, and traffic signals), parks and recreation, animal control, code enforcement, planning/building, and general government services to the island areas. Once annexed, the comprehensive provision of public services to the subject territories will become the responsibility of the City of Anaheim.

Police

The Orange County Sheriff's Department currently provides police protection services to the subject islands on a per call basis. The officers are based at the Sheriff's headquarters in Santa Ana. Traffic enforcement and accident investigation are currently provided by the California Highway Patrol (CHP) at minimum levels and without active patrol units. Upon annexation, residents within the Anaheim islands will experience an increase in the level of police services, including 24-hour patrol, quicker response times, and active traffic enforcement and accident investigation. The Anaheim Police Department also offers variety of crime prevention services to city residents including the Neighborhood Watch program.

Fire

Anaheim Fire Department currently provides fire protection services to the island areas under contract with the Orange County Fire Authority (OCFA). There will be no change in fire service providers due to annexation. However, after annexation the city will receive 100% of the structural fire fund revenues directly.

Additionally, island residents and businesses will be eligible to participate in the Anaheim Fire Department's voluntary paramedic subscription program. For a \$36 annual fee, program subscribers incur no additional cost for paramedic services and/or emergency 9-1-1 transportation.

Water

Southern California Water Company and City of Anaheim Water Department will continue as the service providers for water. Island residents already receiving water from the City of Anaheim will experience a reduction in their water bill after annexation due to the elimination of a 10.6% out-of-area surcharge.

The chart on the next page provides an overview of the current and post annexation service provision plan for the subject island areas.

Service	Current Provider	Post Annexation
Local Representation	Orange BOS – 4th District Supervisor Chris Norby	Anaheim City Council & BOS – 4th District
Police	OC Sheriff Department & CHP	Anaheim PD
Public Works	County of Orange	City of Anaheim
Planning, Building, Code Enforcement	County of Orange	City of Anaheim
Library	County of Orange	City of Anaheim
Fire/Paramedic	Anaheim Fire Department (via contract with Orange County Fire Authority - OCFA)	No Change in Service Provider <ul style="list-style-type: none"> ▪ \$36 annual paramedic subscription fee (optional) ▪ City receives SFF revenue directly
Sewer Collection	City of Anaheim (\$3.50/mo non-resident fee) / Orange County Sanitation Dist.	No Change in Service Provider <ul style="list-style-type: none"> ▪ City of Anaheim fee decrease to \$2.52/mo resident fee
Water	So Cal Water Company <u>or</u> City of Anaheim (10.6% surcharge)	No Change in Service Provider <ul style="list-style-type: none"> ▪ City water surcharge goes away
Electric	Edison	No Change
Gas	Southern CA Gas	No Change
Trash	Taormina (Anaheim/Yorba Linda) Disposal	No Change
Cable TV	Adelphia	No Change

PREANNEXATION AGREEMENT

In December 2002, the County and the City of Anaheim entered into a Memorandum of Understanding (MOU) regarding the potential annexation of the unincorporated island territories to the city. The MOU covers four small islands each less than 75 acres and two large islands only one of which is inhabited. Subsequent to the MOU, the city and County negotiated a pre-annexation agreement regarding the four small islands that met the criteria for streamlined annexation under the provisions of Government Code Section 56375. The agreement also covered annexation of the large uninhabited island which is not proposed for annexation at this time. The terms of the pre-annexation agreement specified the proportional split of property tax revenue and other revenue distributions that would go to the city upon annexation, specifically Structural Fire Fund and Library

Fund revenues. (Copies of the pre-annexation agreement and MOU are attached to this report as Attachment B.)

COMMUNITY OUTREACH

LAFCO staff, in collaboration with County and city staff, conducted three community outreach meetings in December 2002, April 2003 and February 2004. The purpose of the outreach meetings was to ensure all island residents and property owners had the opportunity to become informed and ask questions about the proposed annexations. The city did an excellent job collaborating with LAFCO and the County during the pre-annexation process and providing a contact person within the City Manager's office for resident concerns and follow-up information.

ENVIRONMENTAL REVIEW

Pursuant to CEQA, the city adopted a Negative Declaration for the rezoning and annexation of the subject island areas. The Commission, as a responsible agency, may use this documentation in its consideration of the proposed annexation. The Negative Declaration is attached for your Commission's review. (Please see Attachment C.)

PROPERTY TAX

Pursuant to Section 99 of the Revenue and Taxation Code of California, the County and the City of Anaheim adopted resolutions in December 2003 and March 2004, respectively, agreeing to the exchange of property tax revenues in accordance with the adopted master property tax agreement (city: 42.47% / County: 57.52%).

RECOMMENDATIONS

Staff recommends that the Commission take the following actions:

1. Certify that the Commission has reviewed and considered the information contained within the Negative Declaration prepared by the City of Anaheim.
2. Adopt the form of resolution approving the proposed: "North-Central Islands Annexation to the City of Anaheim" (IA 04-08) and waive conducting authority proceedings entirely pursuant to Government Code Section 56663. The approval is subject to the following terms and conditions:
 - a) Payment of County Clerk-Recorder and State Board of Equalization fees.
 - b) Upon annexation of the territory to the city, all right, title, and interest of the County, including the underlying fee title where owned by the County in any and all public roads, bridges, storm drains, sidewalks, trails, landscaped areas, street lights, open space, and local parks shall vest in the city, except for those properties to be retained by the County and specifically listed in these terms and conditions, if any. The city shall assume ownership and maintenance responsibility upon the effective date of annexation.

- c) Upon the effective date of annexation, the city shall do the following: (1) assume ownership and maintenance responsibilities for all drainage devices, storm drains and culverts, appurtenant facilities (except regional flood control channels), site drainage, and all master plan storm drain facilities that are within the annexation area and are County operated and maintained; (2) administer flood zoning and Federal Emergency Management Agency floodplain regulations within the annexation area; (3) coordinate development within the annexation area that is adjacent to any existing flood control facilities for which OCFCD has a recorded flood control easement or owns fee interest, by submitting plans and specifications to the Manager of Flood Control Division, County of Orange Resources and Development Management Department, for review and require execution of agreement for acceptance of the facility design and construct necessary flood facilities to the satisfaction of Orange County; and (4) direct the developer to enter into agreement with Orange County Flood Control District for acceptance and maintenance of flood control facilities.
- d) The applicant agrees to defend, hold harmless and indemnify LAFCO and/or its agents, officers and employees from any claim, action or proceeding against LAFCO and/or its agents, officers and employees to attack, set aside, void or annul the approval of LAFCO concerning this proposal or any action relating to or arising out of such approval.
- e) The effective date shall be the date of recordation.

Respectfully Submitted,

BOB ALDRICH

KIM A. KOEPPEN

Attachment: A, Vicinity Map
B, Pre-annexation Agreement & MOU
C, Negative Declaration